

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	CSSB 74(FIN)
Fiscal Note Number:	29
(S) Publish Date:	3/9/2016

Identifier: SB074CS(FIN)-DOA-COM-03-06-16
Title: MEDICAID REFORM/PFD/HSAS/ER
USE/STUDIES
Sponsor: KELLY
Requester: Senate Finance Committee

Department: Department of Administration
Appropriation: Centralized Administrative Services
Allocation: Office of the Commissioner
OMB Component Number: 45

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	134.6		33.6				
Travel							
Services	700.0						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	834.6	0.0	33.6	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund	834.6		33.6				
Total	834.6	0.0	33.6	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary	1.0		1.0				

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2016) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable, Initial version

Prepared By: John Boucher, Deputy Commisisoner
Division: Commissioner's Office
Approved By: Sheldon Fisher, Commissioner
Agency: Administration

Phone: (907)465-2200
Date: 03/06/2016 08:00 PM
Date: 03/06/2016

REPORTED OUT OF
SFC 03/08/2016

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

The Committee Substitute for SB 74 requires the Department of Administration, in collaboration with the Legislative Finance Committees, to procure a study to determine the feasibility of creating a health care authority that could coordinate health care plans and consolidate purchasing effectiveness for all state employees, retired state employees, retired teachers, medical assistance recipients, University of Alaska, state corporation, and school district employees.

The study is also required to:

1. Specifically identify cost savings strategies a health care authority could implement.
2. Assess use of community-related health insurance risk pools,
3. Assess the use of the private market place,
4. Identify options for organizational models of the a health care authority including but not limited to private for- profit, private non-profit, government, and state corporation, and
5. Include a public review and comment opportunity for employers, employees, recipients and providers.

The study must be completed on or before June 30,2017.

In determining the feasibility for the authority the study needs to understand the current suite of benefit sets, rules, cost sharing, and payment for all employees and individuals whose health care benefits are funded directly and indirectly by the state of Alaska.

This study will require evaluation of a number of health care benefit delivery programs funded directly and indirectly by the State of Alaska, as well as the framework under which each of these benefit structures are delivered and administered. The department is aware of comparable studies evaluating subsets of these populations that have cost \$350.0 to \$500.0 and estimates that a study of this scope and complexity may require as much as \$700.0 to complete.

Additionally the Department will require additional staff to manage the activities associated with this contract including tracking all work of the contractor, coordinating activity with various state stakeholders including the Department of Health and Social Services, Department of Corrections, and the Division of Retirement and Benefits among others. It is anticipated that the position would need to be retained for a three-month period after completion of the study to coordinate, review and report on the feedback from the proposed review and comment period as well as take a leading role in providing guidance for next steps.

Personnel costs

FY17 Full time non-permanent Health Project Coordinator Range 22C	\$134,582 (annual)
FY18 Full time non-permanent Health Project Coordinator Range 22C	\$33,645 (3 months)